

**Amendment Offered by Mrs. McCarthy of  
New York and Mr. Frank of Massachusetts**

**To the Amendment in the Nature of a  
Substitute Offered by Mr. Oxley**

Page 30, after line 22, insert the following new sections (and redesignate the subsequent section and any cross reference to such section, and conform the table of contents, accordingly):

**1 SEC. 303. REASONABLE REINVESTIGATION REQUIRED.**

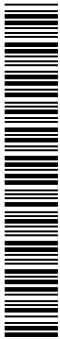
2 Section 611(a)(1)(A) of the Fair Credit Reporting  
3 Act (15 U.S.C. 1681i(a)(1)(A)) is amended by striking  
4 “shall reinvestigate free of charge” and inserting “shall,  
5 free of charge, conduct a reasonable reinvestigation to de-  
6 termine whether the disputed information is inaccurate”.

**7 SEC. 304. DUTIES OF FURNISHERS OF INFORMATION.**

8 Section 623(a) of the Fair Credit Reporting Act (15  
9 U.S.C. 1681s-2(a)) is amended—

10 (1) in paragraph (1)(A), by striking “knows or  
11 consciously avoids knowing that the information is  
12 inaccurate” and inserting “knows or has reasonable  
13 cause to believe that the information is inaccurate”;

14 (2) in paragraph (1)—



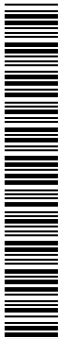
1 (A) by redesignating subparagraphs (B)  
2 and (C) as subparagraphs (C) and (D), respec-  
3 tively;

4 (B) by inserting after subparagraph (A),  
5 the following new subparagraph:

6 “(B) REASONABLE PROCEDURES TO EN-  
7 SURE ACCURACY.—A person that regularly fur-  
8 nishes information relating to consumers to a  
9 consumer reporting agency described in section  
10 603(p) shall maintain reasonable procedures de-  
11 signed to ensure that the information furnished  
12 is accurate.”; and

13 (C) by inserting after subparagraph (D)  
14 (as so redesignated by subparagraph (A) of this  
15 paragraph) the following new subparagraph:

16 “(E) DEFINITION.—For purposes of sub-  
17 paragraph (A), the term ‘reasonable cause to  
18 believe that the information is inaccurate’  
19 means, based on the procedures described in  
20 subparagraph (B), has knowledge, other than  
21 solely allegations by the consumer, that would  
22 cause a reasonable person to have substantial  
23 doubts about the accuracy of the information.”;  
24 and



1           (3) by adding at the end the following new  
2 paragraph:

3           “(6) ABILITY OF CONSUMER TO DISPUTE IN-  
4 FORMATION DIRECTLY WITH FURNISHER.—

5           “(A) IN GENERAL.—A consumer may dis-  
6 pute directly with a person the accuracy of in-  
7 formation that—

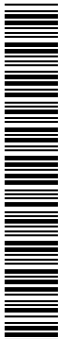
8           “(i) is contained in a consumer report  
9 on the consumer prepared by a consumer  
10 reporting agency described in section  
11 603(p); and

12           “(ii) was provided by the person to  
13 that consumer reporting agency in accord-  
14 ance with paragraph (1)(B).

15           “(B) SUBMITTING A NOTICE OF DIS-  
16 PUTE.—A consumer who seeks to dispute the  
17 accuracy of information directly with a person  
18 under subparagraph (A) shall provide a dispute  
19 notice to the address specified by the person for  
20 such notices that—

21           “(i) identifies the specific information  
22 that is being disputed; and

23           “(ii) explains the basis for the dis-  
24 pute.



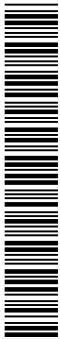
1           “(C) DUTY OF PERSON AFTER RECEIVING  
2 NOTICE OF DISPUTE.—After receiving a notice  
3 of dispute from a consumer pursuant to sub-  
4 paragraph (B), the person that provided the in-  
5 formation in dispute to a consumer reporting  
6 agency referred to in subparagraph (A) shall—

7           “(i) conduct an investigation with re-  
8 spect to the disputed information;

9           “(ii) review all relevant information  
10 provided by the consumer with the notice;

11           “(iii) complete such person’s inves-  
12 tigation of the dispute and report the re-  
13 sults of the investigation to the consumer  
14 before the expiration of the period under  
15 section 611(a)(1) within which a consumer  
16 reporting agency would be required to com-  
17 plete its action if the consumer had elected  
18 to dispute the information under that sec-  
19 tion; and

20           “(iv) if the investigation finds that the  
21 information reported was inaccurate,  
22 promptly thereafter report correct informa-  
23 tion to each consumer reporting agency de-  
24 scribed in section 603(p) to which the per-  
25 son furnished the inaccurate information.”.



Page 36, after line 11, insert the following new section (and conform the table of contents accordingly):

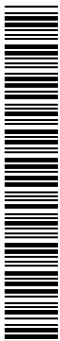
1   **SEC. 405. FTC STUDY OF THE ACCURACY OF CONSUMER RE-**  
2                           **PORTS.**

3           (a) STUDY REQUIRED.—Until the final report is sub-  
4   mitted under subsection (b)(2), the Federal Trade Com-  
5   mission shall conduct an on-going study of the accuracy  
6   and completeness of information contained in consumer  
7   reports prepared or maintained by consumer reporting  
8   agencies and methods for improving the accuracy and  
9   completeness of such information.

10          (b) BIENNIAL REPORTS REQUIRED.—

11               (1) INTERIM REPORTS.—The Federal Trade  
12   Commission shall submit an interim report to the  
13   Congress on the study conducted under subsection  
14   (a) at the end of the 6-month period beginning on  
15   the date of the enactment of this Act and biennially  
16   thereafter for 8 years.

17               (2) FINAL REPORT.—The Federal Trade Com-  
18   mission shall submit a final report to the Congress  
19   on the study conducted under subsection (a) at the  
20   end of the 2-year period beginning on the date the  
21   final interim report is submitted to the Congress  
22   under paragraph (1).



1           (3) CONTENTS.—Each report submitted under  
2           this subsection shall contain a detailed summary of  
3           the findings and conclusions of the Commission with  
4           respect to the study required under subsection (a)  
5           and such recommendations for legislative and ad-  
6           ministrative action as the Commission may deter-  
7           mine to be appropriate.

